

DATE: SEPTEMBER 19, 2003

TO: ALL INTERESTED PARTIES

**RE: FOOD, BEVERAGE AND RETAIL
 CONCESSION CONTRACTS**

ADDENDUM NO. 1

PRE – PROPOSAL CONFERENCE REPORT

Attached hereto and incorporated herein is the Pre-Proposal Conference Report for the Pre-Proposal Conference conducted on September 10, 2003.

RFP PROCESS, INSTRUCTIONS AND CONTRACT PROVISIONS
RFP Volume I

RFP EXHIBITS
RFP Volume III A

Attached hereto and incorporated herein are revisions to the RFP Schedule, Proposal Instructions and RFP Exhibit documents.

QUESTIONS AND ANSWERS

Attached hereto and incorporated herein are seventeen (17) Questions and Answers regarding the RFP Introduction, Concession Specifications, Proposal Requirements, Concession Contracts and Exhibit documents.

All other RFP terms and conditions remain unchanged. All proposers will be required to acknowledge receipt of this Addendum on the Financial Proposal Form. All RFP Addenda will become a part of the Contract.

Sincerely,

Tim McGuigan
Contracts / Legal Services ManagerAttachment

ATTACHMENT TO ADDENDUM NO. 1

RFP PROCESS, INSTRUCTIONS AND CONTRACT PROVISIONS RFP Volume I

RFP SCHEDULE

The RFP Schedule has been revised to incorporate revisions to the Proposal Due Date. Subsequent RFP event dates have been revised accordingly. A revised RFP Schedule is attached hereto and incorporated herein. The revised Schedule supersedes and replaces the previously issued RFP Schedule.

PROPOSAL INSTRUCTIONS

PROPOSAL DUE DATE Section 5

Page 2, lines 29-30. WSF will grant a ten (10) day extension of the Proposal Due Date. Accordingly, revise the first sentence in the paragraph to read as follow:

“ The closing date for receipt of proposals is 3:00 p.m. on Friday, October 10, 2003.”

RFP EXHIBITS RFP Volume III A

TABLE OF CONTENTS

In the Table of Contents for RFP Volume III A, after the item “McDonald’s Revenue Data, 1998 –2003”, add the following new item: “McDonald’s Inventory of Improvements”.

MCDONALD’S INVENTORY OF IMPROVEMENTS

Attached hereto and incorporated herein is the Inventory of Improvements provided by McDonald’s Corporation, developed shortly after the McDonald’s restaurant was constructed at Colman Dock – Pier 52 in Seattle. WSF inserted two section pages identifying WSF and McDonald’s property ownership, respectively. Insert the Inventory RFP Volume III A, after the McDonald’s Revenue Data, 1998-2003.

QUESTIONS AND ANSWERS

WSF has inserted bracketed [] text for clarification

1. **Q.** We sincerely request for the sake of the proposal that the due date of September 30 be changed to October 31. To effectively engage the unions, the logistics of the Ferry System, capital requirements and local business entrepreneurs, the extension of one (1) month is absolutely necessary.

A. WSF has granted a ten (10) day extension of the Proposal Due Date. Please see the revisions to the RFP Schedule and Proposal Due Date in this RFP Addendum.
2. **Q.** The takeover date of January 1, 2004 may be impossible for any new operator to accomplish properly. The advantage going to Sodexho because of existing employee base and union contracts gives them an unfair advantage. Hiring and training of all new employees to board the boats during the holiday season of December to be ready for a seamless takeover would be next to impossible for any operator attempting to develop a seamless, professional transition. Again, may we highly recommend that the takeover be extended at least 30 days to February 1st.

A. The January 1, 2004 transition date is necessary due to the current contractual terms between WSF and Sodexho Corporate Services. If such arrangement changes, WSF will advise all proposers. Meanwhile, all proposers should plan on a January 1, 2004 commencement date for all seven (7) Concession Contracts. WSF will work with the Concessionaires to the maximum extent possible to help ensure a successful start-up of concession operations.
3. **Q.** Would WSF entertain any other vendors selling walk-up tickets?

A. WSF has a retail program for the sale of WSF monthly passes only. WSF would be willing to consider the possible sale of WSF monthly passes at some of the concession facilities located at WSF terminals, including the On-shore Food and Beverage segment and the Fast Food segment.
4. **Q.** Do you have a list of equipment that WSF owns at service segment # 4 [Fast Food]?

A. Yes, see the revisions to the RFP Exhibits in this RFP Addendum.

5 **Q.** What exactly does the concession fee include? [for segment #4, Fast Food]?

- a. Repair and maintenance for outside of the building
- b. Repair and maintenance inside the building to what extent
- c. Trash removal
- d. Grease extractor
- e. Maintenance of common areas
 Utilities
 - i. Natural gas
 - ii. Electric
 - iii. Sewer
 - iv. Water

A. The Concession Fee for Segment 4, is the amount due to WSF on a monthly basis in exchange for the right to provide the concession services on the Concession Premises. Please read the RFP Concession Contract for the Fast Food service segment. It addresses responsibility for the maintenance and repair items noted in the Question.

WSF will maintain the common areas at the terminals, including Colman Dock – Pier 52 in Seattle.

6. **Q.** What are the minimum insurance requirements (umbrella) [for segment #4, Fast Food]?

A. Please refer to the Insurance Article in the RFP Concession Contract for the Fast Food service segment.

7. **Q.** Is there any on-site employee parking for the [segment # 4, Fast Food], workers at Colman Dock - Pier 52?

A. No.

8. **Q;** Is segment # 4 [Fast Food] locked in a union contract, now or later?

A. No, the Fst Food concession site at Colman Dock-Pier 52 is not subject to a labor / union contract, either previously or in the future. The same analysis applies to the entire Fast Food service segment.

9. Q. What is leasehold tax?
- A. The Leasehold Excise Tax is a statutory tax (see Chapter 82.29A RCW, Leasehold Excise Tax). The tax is imposed on private, leasehold interest in publicly owned property, to compensate the government for services rendered to such lessees. The Tax is collected by WSF and forwarded to the Washington State Department of Revenue. Please refer to RFP Part IV, Concession Specifications, Page 4, Section D, Leasehold Excise Tax.
10. Q. Is there any limitation to taking orders and serving customers in their cars while they wait? [for segment # 4, Fast Food],
- A. Subject to operational safety, WSF may consider such service for the vehicle holding areas, but only for the On-shore Food and Beverage Concession Contract, if deemed appropriate at designated terminals, on a case-by-case basis. WSF will not consider such service for the Fast Food concession service at Colman Dock – Pier 52 which is reasonably accessible to WSF patrons in the vehicle holding area.
11. Q. The footprint of segment # 4 [Fast Food] is no where in the RFP. Where can I find it?
- A. WSF does not have a detailed drawing of the as-built McDonald's restaurant at Colman-Dock Pier 52. See the location shown in the Colman Dock – Pier 52 Restaurant Lease, Exhibit A, per Answer No. 12 below.
12. Q. Can we get a copy of the current lease for segment #4 [Fast Food]?
- A. Yes. For prospective proposes who have specified intent to submit a proposal for Segment No. 4, Fast Food, WSF will provide a copy of the Current Colman Dock-Pier 52 Restaurant Lease. A copy of the Lease is available to any other planholder upon request (contact Tim McGuigan at 206.515.3601).
13. Q. What changes would the new Lease have [for segment # 4, Fast Food] aside from new [concession] fees?
- A. There are minimal changes between the current Lease and the new Concession Contract. Please refer to the enclosed Lease, the new Concession Contract and the other RFP documents.

14. Q. Does the \$100,000 contract security get released on the first day of operation? [for segment # 4, Fast Food]
- A. No. The Contract Security must remain in effect for the full term of the Contract plus sixty (60) days thereafter. Please refer to the Contract Security Article in the Fast Food Concession Contract.
15. Q. Is there any asbestos related surprises with segment # 4 [Fast Food]?
- A. No, not in any area that has been developed for the current McDonald's restaurant at Colman Dock – Pier 52. Asbestos was removed during the demolition phase prior to the construction of the current restaurant.
16. Q. If so, who would be responsible for clearing it?
- A. If asbestos is discovered in any future renovation of the subject Concession Premises, the Concessionaire will be solely responsible for removal and disposal of the asbestos in accordance with governing laws and procedures.
17. Q. What do you attribute the major sales decline to [for segment # 4, Fast Food]?
- A. The reduction in sales at the McDonald restaurant at Colman Dock –Pier 52 is likely due to the current economic recession that has affected all discretionary spending, especially in the Northwest. Additionally, McDonald's has been unable to upgrade its facility in recent years, pending WSF's determination on the renovation / replacement status of the Seattle Ferry Terminal at Colman Dock – Pier 52. The ten (10) year Fast Food Concession Contract under this RFP will enable a Concessionaire to invest in capital Improvements with a goal of enhanced retail sales.

(END)